Black money

†2902. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether a parallel economy of back money is running in the country;

(b) if so, whether it is a fact that this money is also being used for committing different types of crimes in the country;

(c) whether Government have made any evaluation of black money; and

(d) if so, the details thereof and if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) There is no exact estimate of the amount of black money in circulation in the country.

(b) There is no study conducted by the Government to ascertain whether black money is being used for committing crimes in the country.

(c) At the instance of the Government, the National Institute of Public Finance and Policy (NIPFP) had attempted an estimate of the black money in circulation in the country.

(d) NIPFP in their report titled "Aspects of the Black Economy in India" (1985) had estimated the black money generated in the year 1983-84 between Rs. 31,584 crores to Rs. 36,786 crores.

District Central Cooperative Banks

2903. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether National Bank for Agriculture and Rural Development has been instructed to directly refinance District Central Cooperative Banks;

(b) whether there is any proposal to slash interest rates for these banks;

(c) if so, the details thereof;

(d) if not, the reasons therefor;

†Original notice of the question was received in Hindi.

(e) whether interest on crop loans of less than Rs. 50,000 has been reduced recently;

(f) if so, the details of crop loans of less than Rs. 50,000 State-wise as on today; and

(g) the measures taken so that volume of credit to agriculture sector and lending rates in the balance sheets of banks would not decrease?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) A proposal is under consideration to amend the National Bank for Agriculture and Rural Development (NABARD) Act, 1981 to enable NABARD to provide refinance to District Central Co-operative Banks (DCCBs) directly. The proposed amendment is intended to reduce one tier in the Co-operative Credit System there by reducing the rate of interest on crop loans.

(e) The Indian Banks' Association (IBA) on 12.7.2003 advised all public sector banks that the rate of interest on crop loan upto Rs. 50,000 should not exceed 9%.

(f) The data reporting system of Reserve Bank of India (RBI) and NABARD does not generate information on crop loans of more than Rs. 50,000 and less than Rs. 5,000 separately.

(g) RBI and NABARD have taken several measures for stepping up the flow of credit for agriculture sector and its allied activities by the banking sector in the country. These include:

(i) Advising the banks to step up their direct lending to agriculture so as to achieve the target of 18 per cent of net bank credit;

(ii) Advising the Public Sector Banks to prepare Special Agriculture Credit Plans (SACP) for increasing credit flow to agriculture;

(iii) Coverage of all eligible farmers by 31st March, 2004 under Kisan Credit Card Scheme;

(iv) Refinance to Banks at concessional rate of interest to enable them to increase the credit flow to agriculture sector;

(v) Introduction of the Rashtriya Krishi Bima Yojana;

(vi) Simplifying the loan procedures on Agricultural Credit;

(vii) Setting up of Rural Infrastructure Development Fund (RIDF) with NABARD;

(viii) Introduction of the Scheme for financing Agri-clinics and Agri-business centers;

(ix) Introduction of scheme for financing farmers for purchase of land for agricultural purposes; and

(x) Increase in the distribution of inputs for activities allied to agriculture.

Drifting away of US Investors

2904. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that US-based investors are turning away from routing Foreign Direct Investment into India through Mauritius;

(b) if so, the details of the investment made through the Mauritius route during the last three years, year-wise; and

(c) the reasons for the decline and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Government does not maintain centralized data in respect of country-wise origin of Foreign Direct Investment (FDI) into India through Mauritius.

Annual Bank Meet

2905. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether a three day Annual Bank Meet was organized during last May on economics development;

(b) if so, the salient observations made on development of infrastructure etc. for accelerating the process; and

(c) the recommendations accepted by Government for implementation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) No such Annual Bank Meet was organized during the month of May, 2003.

(b) and (c) Do not arise.